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MEMORANDUM  
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TO: Docket Control Center

2009 JAN -8 A 10: 00

Arizona Corporation Commission

FROM: Ernest G. Johnson  
Director  
Utilities Division

AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED

JAN - 8 2009

DATE: January 8, 2009

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RE: ASHCREEK WATER COMPANY - MOTION FOR EXTENSION OF  
COMPLIANCE DEADLINE (DOCKET NO. W-02494A-07-0681)

In Decision No. 70409, dated July 3, 2008, the Arizona Corporation Commission ("Commission") approved the application of Ashcreek Water Co. ("Ashcreek") for an extension of its Certificate of Convenience and Necessity ("CC&N") for water service.

As part of Decision No. 70409, the Commission ordered that Ashcreek should:

"...file with Docket Control as a compliance item in this docket, a copy of the ADEQ Approval of Construction of the 20,000 gallon storage tank by December 31, 2008."

On December 9, 2008, Ashcreek docketed a letter to the Commission requesting a six month extension of time for the provision of the Approval of Construction ("AOC") for the above mentioned storage tank. In the attached request, the Company states that four pending easements were necessary as part of the transmission line portion of the above storage tank project. Two were already completed and the remaining two were still issues at the time of this application. These remaining issues have kept the storage tank from being bid and constructed and are the basis of the request for extension of time.

Per the application, the two remaining easement issues were in escrow but had real property attached to the transaction. One easement issue was simply awaiting authority of the Commission via the outcome of a pending Sale of Assets case (Docket No. W-02494A-08-0557). The other remaining easement issue involved the purchase of land necessary to develop a site for the 20,000 gallon storage tank project.

Staff contacted Mr. Bevan Barney, interim manager for Ashcreek, on December 31, 2008, to discuss the request for extension. Mr. Barney stated that he has continued to work on sorting out the easement issues since filing the application and has completed the effort related to the purchase of the storage tank site. He stated that the Sale of Assets case is out of his hands and that he is currently awaiting the Commission resolution on that case.

As the Sale of Assets case is currently pending and has no time clock attached, the completion date for that case is unknown. Considering that the bidding and construction of the 20,000 gallon storage tank must also be completed, the Company request for extension of time may need to be extended.

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Based on all of the above, Staff will not object to the Company's request for extension of time to comply with the above mentioned provision relating to the storage tank project. Staff recommends that the December 31, 2008 deadline for submission of the AOC for the 20,000 gallon storage tank be extended until December 31, 2009.

EGJ:BKB:lhbm

Originator: Brian K. Bozzo

Attachment

SERVICE LIST FOR: ASHCREEK WATER COMPANY  
DOCKET NO. W-02494A-07-0681

Mr. Bevan Barney  
Ashcreek Water Company  
Post Office Box 825  
Thatcher, Arizona 85552

Mr. Ernest G. Johnson  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Janice M. Alward  
Chief Counsel, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Lyn Farmer  
Chief Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

ORIGINAL

# Ashcreek Water Company

P.O. Box 825 Thatcher, AZ 85552  
3776 Main St, Thatcher, AZ

965-2934 for emergencies

428-3357 for billing questions

428-5420 for all other contact

DEC - 9

November 25, 2008

## ARIZONA CORPORATION COMMISSION

Mike Gleason, Chairman  
Kristin K. Mayes  
William Mundell  
Jeff Hatch-Miller  
Gary Pierce

Arizona Corporation Commission

DOCKETED

DEC - 9 2008

DOCKETED BY	<i>mn</i>
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Re: Docket #

W-02494A-08-0557

Ashcreek Water Company will not be able to comply with Decision #70409 of Docket # W-02494A-07-0681 which Orders Ashcreek Water Company to submit as a Compliance Item a copy of the ADEQ Approval of Construction of the 20,000 gallon storage tank by December 31, 2008. Ashcreek Water Company requests an extension of time to complete the requirement.

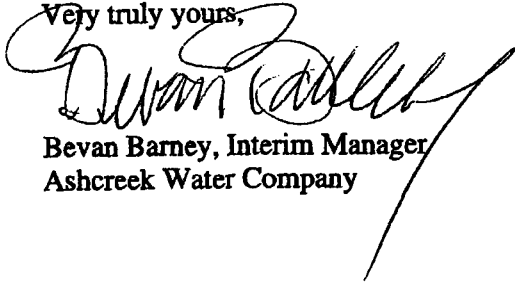
In addition it is further Ordered that the Decision #70409 granting the requested CC&N extension be considered null and void, after due process, should Ashcreek Water Company fail to meet the above condition within the time specified. Ashcreek Water Company also requests a similar extension of time before declaring the Extension of the CC&N null and void.

**Reason:** Four Easements were necessary prior to construction of the planned transmission line. Two of these have been secured and recorded. The additional two are presently in escrow and have real property attached. One of the escrows is waiting for a resolution of the Application For Sale of Assets, Docket # W-02494A-08-0557, and cannot proceed without action from the Commission. The other escrow is necessary to purchase a site to place the 20,000 gallon storage tank and coincident with the signing of an Easement across other land. This second transaction is expected to close the first week in December of 2008. Signatures necessary for both Estates and the heirs have been secured.

**Corrective Action:** Receive permission from the Commission to sell the asset in Docket # W-02494A-08-0557. Close both escrows, advertise for bids, monitor construction and secure "ADEQ Approval of Construction" to submit as a Compliance Item. These later tasks are within my control and can proceed at a reasonable pace.

**Duration:** The bid and construction process should move swiftly due to the downturn in economic activity in the area. ADEQ Approval to Construct will process at a normal pace. I request an additional 6 months of time to comply.

Very truly yours,

A handwritten signature in black ink, appearing to read "Bevan Barney", with a long, sweeping horizontal line extending to the right.

Bevan Barney, Interim Manager  
Ashcreek Water Company